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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
BLINK CAPITAL MANAGEMENT (PRIVATE) LIMITED**

**Opinion**

We have audited the financial statements of “**BLINK CAPITAL MANAGEMENT (PRIVATE) LIMITED**”, which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, and the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position and the statement of profit or loss, the statement of comprehensive income, and the statement of changes in equity, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position and the statement of profit or loss, the statement of comprehensive income, and the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with books of account and returns;



- c) Expenditure incurred during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit of financial statements of **BLINK CAPITAL MANAGEMENT (PRIVATE) LIMITED** for the year ended June 30, 2021 resulting in this independent auditors' report is C.A Habib.

Place: Islamabad

Dated: 07 AUG 2021

  
CROWE HUSSAIN CHAUDHURY & CO.  
(CHARTERED ACCOUNTANTS)




**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021**

	<u>Note</u>	2021 ------(Rupees)-----	2020 ------(Rupees)-----
<b><u>NON-CURRENT ASSETS</u></b>			
Property and equipment	4	17,918,661	19,221,288
Intangible assets	5	4,000,000	4,000,000
Long term deposits		1,770,000	600,000
Long term investment		93,643,750	52,918,737
		<b>117,332,411</b>	<b>76,740,025</b>
<b><u>CURRENT ASSETS</u></b>			
Trade debts		2,148,435	508,691
Advances	6	3,892,572	22,695,644
Cash and bank balances	7	3,056,053	1,728,486
		<b>9,097,061</b>	<b>24,932,821</b>
		<b>126,429,472</b>	<b>101,672,846</b>
<b><u>SHARE CAPITAL &amp; RESERVES</u></b>			
<b>AUTHORISED CAPITAL</b>			
10,000,000 (2020: 2,250,000) Ordinary shares of Rs. 10/- each		<b>100,000,000</b>	<b>100,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>			
10,000,000 Ordinary shares of Rs. 10/- each fully paid in cash		<b>100,000,000</b>	<b>100,000,000</b>
Unappropriated loss		<b>(1,049,905)</b>	<b>(1,483,044)</b>
		<b>98,950,095</b>	<b>98,516,956</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term loans	15	25,280,000	-
Deferred tax liabilities		1,268,478	695,495
		<b>26,548,478</b>	<b>695,495</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	8	430,279	1,898,571
Provision for taxation		500,619	561,825
		<b>930,898</b>	<b>2,460,396</b>
		<b>126,429,472</b>	<b>101,672,846</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	9		

The annexed notes 1 to 18 form an integral part of these financial statements.

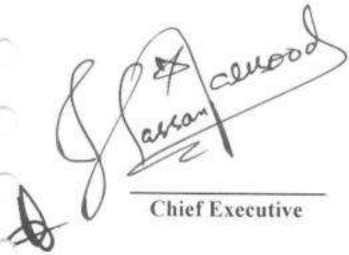
  
Chief Executive

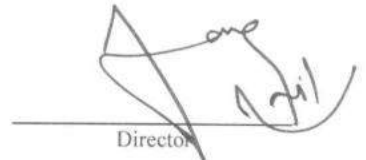
  
Director

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 ------(Rupees)-----	2020 ------(Rupees)-----
Revenue	10	37,114,760	32,621,120
Administrative expenses	11	(35,607,954)	(30,844,757)
<b>Operating profit</b>		<b>1,506,806</b>	<b>1,776,363</b>
Financial charges		(64)	(6,479)
<b>Net profit before tax</b>		<b>1,506,742</b>	<b>1,769,884</b>
Taxation	12	(1,073,602)	(998,856)
<b>Profit after tax</b>		<b>433,140</b>	<b>771,028</b>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
 Chief Executive

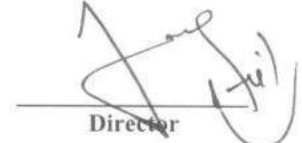
  
 Director

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021**

	2021 ----- (Rupees)	2020 ----- (Rupees)
Profit after taxation	433,140	771,028
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>433,140</u>	<u>771,028</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
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Chief Executive

  
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Director

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	2021 ------(Rupees)-----	2020 ------(Rupees)-----
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
<b>Cash Generated from Operations</b>		
Profit before Taxation	1,506,742	1,769,884
<b>Adjustments:</b>		
Depreciation	1,990,960	2,135,699
Finance Charges	64	6,479
	1,991,024	2,142,178
<b>(Increase) / decrease in current assets</b>		
Trade debts	(1,639,744)	288,059
Advances	18,803,072	(1,425,967)
	17,163,328	(1,137,907)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(1,529,500)	1,364,311
	(1,529,501)	1,364,310
	19,131,593	4,138,465
Taxes paid	(500,619)	(561,825)
Finance cost paid	(64)	(6,479)
	(500,683)	(568,304)
Net cash (used in) / generated from operating activities	18,630,910	3,570,161
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Addition in property and equipments	(688,330)	(125,600)
Addition in intangible assets	-	-
Purchase of investment	(40,725,013)	(48,343,845)
Long term Deposits	(1,170,000)	-
Net cash (used in) / generated from investing activities	(42,583,343)	(48,469,445)
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Long Term Loan	25,280,000	(34,990,000)
Capital	-	77,500,000
Net cash (used in) / generated from financing activities	25,280,000	42,510,000
Net increase in cash and cash equivalents	1,327,566	(2,389,284)
Cash and cash equivalents at the beginning of the period	1,728,487	4,117,771
Cash and cash equivalents at the end of the year	3,056,053	1,728,487

The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Executive



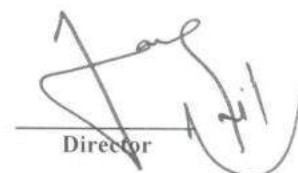
Director

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2021**

	Issued share capital	Accumulated Profit/ (loss)	Total
	------(Rupees)-----		
<b>Balance as at June 30, 2019</b>	<u>22,500,000</u>	<u>(2,254,072)</u>	<u>20,245,928</u>
Net profit for the year	-	771,028	-
Paid up Capital during the year	77,500,000		
<b>Balance as at June 30, 2020</b>	<u>100,000,000</u>	<u>(1,483,044)</u>	<u>98,516,956</u>
Net profit for the year	-	433,140	-
Paid up Capital during the year			
<b>Balance as at June 30, 2021</b>	<u>100,000,000</u>	<u>(1,049,905)</u>	<u>98,950,095</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
Chief Executive

  
Director



**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**1 THE COMPANY AND ITS OPERATIONS**

Blink Capital Management (Private) Limited ("the Company") incorporated in Pakistan on April 06, 2015 under the Companies Ordinance, 1984 (repealed with the enactment of Companies Act, 2017 on May 30, 2017). The Company is a commodity brokerage house based in Lahore which offers trade in the international market of gold, silver, crude oil and

The Company's registered office is located at 103-1, Block B, Model Town Lahore.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency. Amounts presented in PKR have been rounded off to nearest of rupees, unless otherwise stated.

**2.4 USE OF ESTIMATES AND JUDGEMENTS**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have significant effects on the amounts recognized in the financial statements are discussed in the ensuring paragraphs.

**2.4.1 Equipments**

The Company reviews the residual values and useful life of equipments on regular basis. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might effect the carrying amounts of the respective items of equipments with corresponding effect on the depreciation charge and impairment.

**2.4.2 Taxation**

The company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**2.4.3 Provision and contingencies**

A provision is recognized as a result of past event when the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the liability. The un-winding of discounts is recognized as finance cost, if any.

Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation can not be measured with sufficient reliability, it is disclosed as contingent liability.

**2.4.4 Impairment**

**2.4.4.1 Impairment of financial assets**

The Company measures loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost after considering the pattern of receipts from and future financial outlook of the counterparty and is reviewed by the management on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of assets with a corresponding effect on the profit or loss.

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**2.4.4.2 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

**2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT**

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of new standard is not likely to have an impact on Company's financial statements.
- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVTOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVTOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the changes as indicated below:

#### **3.1 IFRS 9 'Financial Instruments'**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments ("IFRS 9") that replaces IAS 39 Financial Instruments: recognition and measurement ("IAS 39") and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification & measurement, impairment and hedge accounting. IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The three principal classification categories under the new standard for financial instruments are: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL"). The classification of financial instruments under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. The previous categories under IAS 39 of held to maturity, loans and receivables and available for sale have been removed. For financial liabilities, IFRS 9 retains most of the requirements of IAS 39; however, where the fair value option is applied to financial liabilities, any change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income.

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

The following table explains the original measurement categories under IAS 39 and new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 July 2018.

	Original classification under IAS 39	New classification under IFRS 9
<b>Financial assets</b>		
Long term deposits	Loans and receivables	Amortized Cost
Long term investment	Amortized Cost	Amortized Cost
Trade debts	Loans and receivables	Amortized Cost
Advances	Loans and receivables	Amortized Cost
Cash and bank balances	Loans and receivables	Amortized Cost
<b>Financial liabilities</b>		
Long term loans	Amortized Cost	Amortized Cost
Trade and other payables	Amortized Cost	Amortized Cost
Provision for taxation	Amortized Cost	Amortized Cost

There is no change in the carrying amounts of financial assets and financial liabilities at the initial application date of IFRS-9, except for a change in accounting classification under IFRS 9 from category under IAS - 39 as disclosed in the above table.

There was no material expected credit loss recognized at initial application date and as at 30 June 2020.

The Company does not have any financial instruments eligible for hedge accounting, accordingly there was no impact to the Company as a result of adopting IFRS 9.

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected loss" model. The new impairment model applies to financial instruments measured at amortized cost, and contract assets and debt investments measured at FVTOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39. The standard also provides a simplified approach to measure expected credit losses using a lifetime expected loss allowance. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate loss allowance.

### 3.2 IFRS 15 'Revenue from Contracts with Customers'

The IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") in May 2014. This IFRS replaces IAS 18 Revenue, IAS 11 Construction Contracts and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. The Company has reviewed its revenue stream and underlying contracts with the customers and, as a result of this review, the adoption of IFRS did not have a material impact on the Company's statement of profit or loss, statement of comprehensive income and financial position.

### 3.3 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in profit and loss account except to the extent that it relates to items recognized directly in statement of comprehensive income or equity.

#### Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset if certain criteria is met.

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Deferred**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill
- taxable temporary differences are adjusted by the portion of income expected to fall under presumptive tax regime in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. The effect of the adjustment is charged or credited to income currently.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if certain criteria are met.

**3.4 PROPERTY AND EQUIPMENTS**

Property equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of equipments comprises historical cost.

Depreciation charge is based on the reducing balance method whereby the cost of an asset is written off to statement of profit and loss over its estimated useful life. Depreciation on addition is charged from the month of addition while no depreciation is charged in the month of disposal on disposed assets. Gain or loss on disposal is taken to statement of profit and loss in the year of disposal. Depreciation is charged at rates mentioned in note-4 of the financial statements.

Maintenance and normal repairs are charged to statement of profit and loss as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

**3.5 Impairment**

**(i) Non - derivative financial assets**

**Policy applicable from 1 July 2018**

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

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The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

**Measurement of ECLs**

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the carrying amount of the assets and charged to profit or loss.

**Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Policy applicable before 1 July 2018**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

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All impairment losses are recognized in profit or loss. An impairment loss is reversed in profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

**(ii) Non-financial assets**

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3.6 TRADE AND OTHEER PAYABLES**

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for the goods and / or services received whether or not billed to the Company.

**3.7 PROVISIONS**

A provision is recognized in balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

**3.7 Financial instruments**

**(I) Recognition and initial measurement**

Trade debts are initially recognised when they are originated. All other financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of an instrument.

A financial asset (unless it is a trade debt without significant financing component) or financial liability is initially measured at fair value, plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade debt without a significant financing component initially measured at the transaction price.

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**(II) Classification and subsequent measurement**

**(a) Financial assets - Policy applicable from 1 July 2018**

On initial recognition, a financial asset is classified as measured at amortised cost, FVTOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest of the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or

**(b) Financial assets - Policy applicable before 1 July 2018**

The Company classified its financial assets into one or more of the following categories:

FVTPL  
Loans and receivables

Loans and receivables and held to maturity financial assets were subsequently measured at amortised cost using effective interest method.

**Financial liabilities-Classification and subsequent measurement**

Financial liabilities are measured at amortised cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

**(III) Derecognition**

**(a) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**(b) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

**(IV) Off-setting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.



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**3.8 Finance cost**

Finance cost comprises bank charges and commission on bank guarantee.

**3.9 Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**3.10 RELATED PARTY TRANSACTIONS AND TRANSFER PRICING**

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length. These price are determined in accordance with the method prescribed in the Companies Act, 2017.

**3.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank.

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4 PROPERTY AND EQUIPMENT

2021

	COST			Rate %	ACCUMULATED DEPRECIATION			W.D.V. As at 30.06.2021	
	As at 01.07.2020	Additions	Deletions		As at 30.06.2021	For the Year	On disposals		As at 30.06.2021
	Pak Rupees.....								
Furniture, fixture and fittings	6,673,458	124,800	-	6,798,258	10%	433,331	-	2,898,278	3,899,980
Computers and office equipments	8,015,317	563,530	-	8,578,847	10%	365,835	-	5,286,346	3,292,501
Vehicles	16,150,000	-	-	16,150,000	10%	4,232,026	1,191,794	5,423,820	10,726,180
	30,838,775	688,330	-	31,527,105		11,617,484	1,990,960	13,608,444	17,918,661

2020

	COST			Rate %	ACCUMULATED DEPRECIATION			W.D.V. As at 30.06.2020	
	As at 01.07.2019	Additions	Deletions		As at 30.06.2020	For the Year	On disposals		As at 30.06.2020
	Pak Rupees.....								
Furniture, fixture and fittings	6,673,458	-	-	6,673,458	10%	467,612	-	2,464,947	4,208,510
Computers and office equipments	7,889,717	125,600	-	8,015,317	10%	343,871	-	4,920,512	3,094,804
Vehicles	16,150,000	-	-	16,150,000	10%	2,907,810	1,324,216	4,232,026	11,917,973
	30,713,175	125,600	-	30,838,775		9,481,785	2,135,699	11,617,484	19,221,288

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	2021 ------(Rupees)-----	2020 ------(Rupees)-----
<b>4 PROPERTY, PLANT &amp; EQUIPMENT</b>		
See Fixed Schedule	-	19,221,288
<b>5 INTANGIBLE ASSETS</b>		
<b>Cost</b>		
Opening balance	4,000,000	4,000,000
Additions	-	-
Deletions	-	-
Closing balance	4,000,000	4,000,000
<b>Accumulated amortization</b>		
Opening balance	-	-
Charged for the year	-	-
Closing balance	-	-
<b>Written down value</b>	4,000,000	4,000,000
<b>6 ADVANCES</b>		
Advances to Mr. Tariq Mushtaq	-	21,851,882
Advances to Employees	724,351	229,000
Advances to Vendor (Mr Sarfaraz Hassan)	2,718,260	-
With holding tax	449,961	614,762
	3,892,572	22,695,644
<b>7 CASH AND BANK BALANCES</b>		
Cash in hand	918,105	37,247
Cash at bank - local currency	2,137,948	1,691,239
	3,056,053	1,728,486
<b>8 TRADE AND OTHER PAYABLES</b>		
Accrued salaries and other expenses	56,109	1,517,000
Auditors remuneration	250,000	258,000
Utilities payable	124,170	123,571
Other payables	-	-
	430,279	1,898,571
<b>9 CONTINGENCIES &amp; COMMITMENTS</b>		

- There were no contingencies and commitments as on June 30, 2021 (June 30, 2020: Nil).

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	2021 ------(Rupees)-----	2020 ------(Rupees)-----
<b>10 Revenue</b>		
Brokerage Income	32,389,744	6,312,275
Revenue from Financial Services	4,725,016	26,308,845
	<u>37,114,760</u>	<u>32,621,120</u>
<b>11 ADMINISTRATION EXPENSES</b>		
Staff salaries and other benefits	21,248,035	18,371,641
Utilities	1,691,271	1,888,113
Auditors remuneration	250,000	258,000
Director fees & remuneration	2,900,000	1,745,000
Office supplies	815,654	811,003
Travelling and conveyance	57,324	351,814
Printing & Stationery	107,966	-
Rent	3,643,272	3,381,920
Printing and advertisement		65,639
Repair & Maintenance	139,118	34,859
Meals & Entertainment	1,428,851	1,243,384
Advertising/Promotional Expenses	271,619	-
Legal expenses	1,046,739	536,675
Postage and courier	17,145	21,010
Depreciation expenses	1,990,960	2,135,699
	<u>35,607,954</u>	<u>30,844,757</u>
<b>12 TAXATION</b>		
Current year	500,619	561,825
Deferred tax	572,983	437,031
	<u>1,073,602</u>	<u>998,856</u>
<b>13 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVES AND DIRECTORS</b>		
<b>Chief executive</b>		
Managerial remuneration	-	-
Bonus for the year	-	-
Pension fund scheme	-	-
Contribution for gratuity	-	-
Reimbursements	-	-
Other benefits	2,900,000	1,745,000
	<u>2,900,000</u>	<u>1,745,000</u>
Number of persons	1	1
<b>Directors</b>		
Managerial remuneration	-	-
Bonus for the year	-	-
Pension fund scheme	-	-
Contribution for gratuity	-	-
Reimbursements	-	-
Other benefits	-	-
	<u>-</u>	<u>-</u>
Number of persons	2	2
<b>Executive</b>		
Managerial remuneration	-	-
Bonus for the year	-	-
Pension fund scheme	-	-
Contribution for gratuity	-	-
Reimbursements	-	-
Other benefits	-	-
	<u>-</u>	<u>-</u>
Number of persons	Nil	Nil

**BLINK CAPITAL MANAGEMENT (PVT.) LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**14 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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**14.2** The Company has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

**14.3** The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**14.4 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and cash and bank balances.

The Company's credit risk exposures is categorized under the following headings:

**Cash at Bank**

The Company held cash at bank of Rs. 2.137 million at 30 June 2021 (2020: Rs 1.69 million). Cash at bank is held with banks and financial institution, which are rated AAA to A based on PACRA rating.

**14.5 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains letters of credit as mentioned in note 12.2.1 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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On-balance sheet financial instruments

June 30, 2021

	Note	Carrying Amount		Fair value			
		Amortized Cost	FTVL	Total	Level 1	Level 2	Level 3
Rupees' 000							
Financial assets not measured at fair value							
Long term deposits		1,770,000	-	1,770,000	-	-	-
Long term investment		93,643,750	-	93,643,750	-	-	-
Trade debts		2,148,435	-	2,148,435	-	-	-
Advances	6	3,892,572	-	3,892,572	-	-	-
Cash and bank balances	7	3,056,053	-	3,056,053	-	-	-
		<u>104,510,811</u>	<u>-</u>	<u>104,510,811</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value							
Long term loans	15	25,280,000	-	25,280,000	-	-	-
Trade and other payables	8	430,279	-	430,279	-	-	-
		<u>25,710,279</u>	<u>-</u>	<u>25,710,279</u>	<u>-</u>	<u>-</u>	<u>-</u>

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14.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Note	Carrying Amount		Fair value			
		Amortized Cost	FTVL	Total	Level 1	Level 2	Level 3
Rupees' 000							
<b>June 30, 2020</b>							
<b>Financial assets not measured at fair value</b>							
Long term deposits		600,000	-	600,000	-	-	-
Long term investment		52,918,737	-	52,918,737	-	-	-
Trade debits		508,691	-	508,691	-	-	-
Advances	6	22,695,644	-	22,695,644	-	-	-
Cash and bank balances	7	1,728,486	-	1,728,486	-	-	-
		<u>78,451,558</u>	<u>-</u>	<u>78,451,558</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>							
Long term loans	15	-	-	-	-	-	-
Trade and other payables	8	1,898,571	-	1,898,571	-	-	-
		<u>1,898,571</u>	<u>-</u>	<u>1,898,571</u>	<u>-</u>	<u>-</u>	<u>-</u>



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**14.6 Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency and interest rate risk only.

**14.6.1 Foreign currency risk**

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR currently the company is not exposed to any foreign currency risk.

**14.6.2 Interest rate risk**

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of interest rate exposure arises from short and long term borrowings from banks and deposits with banks. At the balance sheet date, there is no interest bearing Financial instrument.

**Other market price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

**14.7 CAPITAL RISK MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity and monitors that the Company has appropriate mix of capital and debt. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

**15 RELATED PARTY TRANSACTIONS**

Related parties include directors of the company and companies where directors also hold directorship, key management personnel.

The company, in the normal course of business has not been involved in any kind of related parties transactions during the whole financial year except those as disclosed in relevant notes.

RELATIONSHIP	NATURE OF TRANSACTION	2021	2020
		------(Rupees in million)-----	
<b>Director</b>	<b>Interest free loan</b>		
	Opening account balance	-	34,990,000
	Amount received during the year	25,280,000	-
	Amount paid during the year	-	(34,990,000)
	Account balance outstanding	<u>25,280,000</u>	<u>-</u>

Remuneration paid to Chief Executive and Directors of the company during the year is disclosed in Note No. 13 to the financial statements.

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**16 NUMBER OF EMPLOYEES**

	2021 Numbers	2020 Numbers
Total employees of the Company at year end	<u>35</u>	<u>33</u>
Average employees of the Company during the year	<u>35</u>	<u>33</u>


**17 GENERAL**

Comparativities have been reclassified and rearranged for comparative purposes only. Also, figures have been rounded off to the nearest rupee.

**18 AUTHORIZATION FOR ISSUE:**

These financial statements were authorized for issue on the 7<sup>th</sup> day of August, 2021.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director